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For Release: Business Expectations

V-23 No. 1

Dun & Bradstreet

a company of The Dun & Bradstreet Corporation

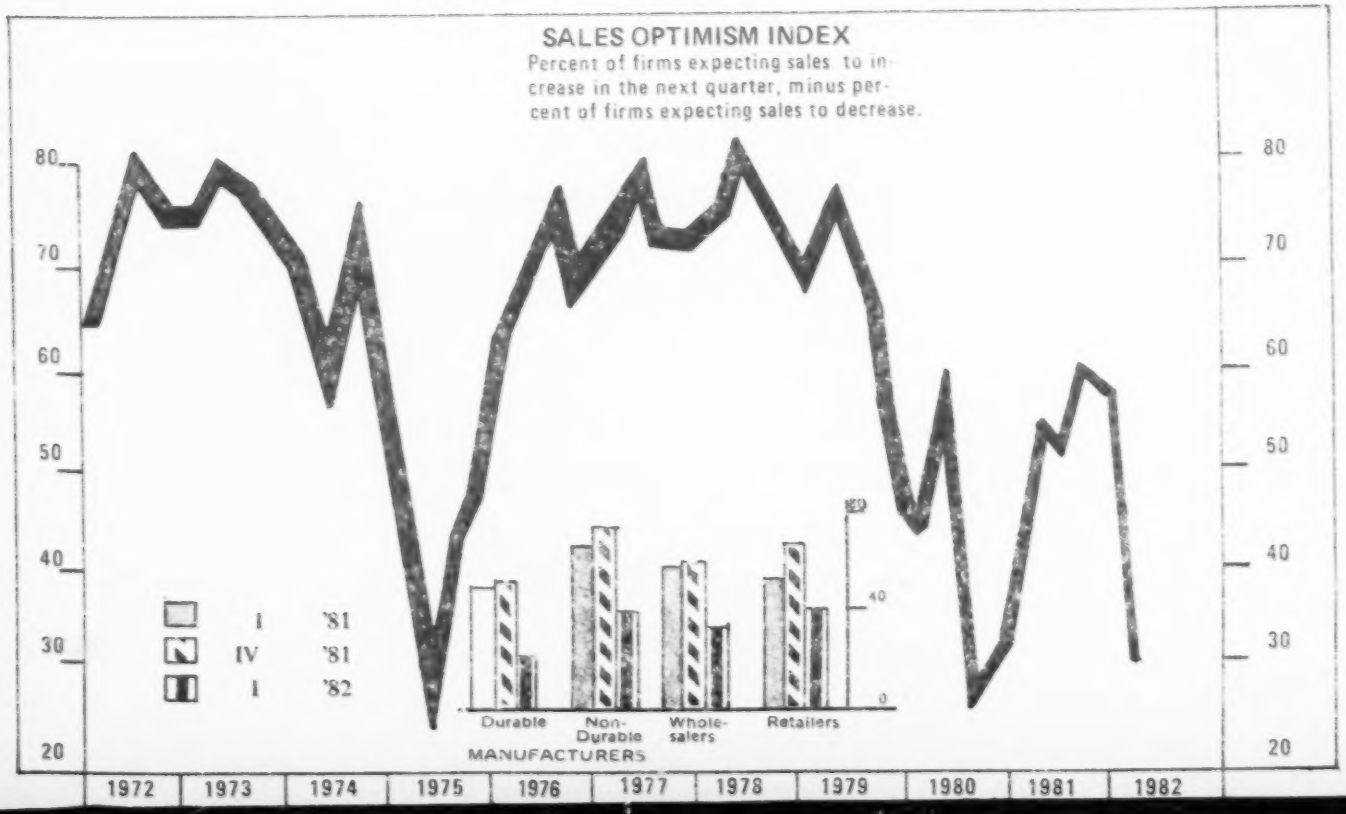
Business Economics Division

99 Church Street, New York, N.Y. 10007
212/285-7417

BUSINESS OPTIMISM DROPS SHARPLY IN D&B SURVEY OF EXPECTATIONS FOR FIRST QUARTER

NEW YORK, January 14--Business optimism about sales and profits dropped to the lowest ebb since the third quarter of 1980 in Dun & Bradstreet's latest survey of some 1,404 executives about their expectations for the first quarter of 1982. At only one other time in the last decade, 1975, have expectations plummeted so sharply. This was a remarkable shift in outlook for leaders in manufacturing, wholesaling and retailing who had held firmly confident long after most economic forecasters had turned gloomy--they had lowered their sights only slightly in the survey covering the final quarter of 1981.

D&B's Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) fell 29 points to 30 from 59 in the previous survey. Manufacturers of non-durable goods showed the greatest loss of confidence--a 35 point drop from the two-year peak registered a quarter earlier. In fact, their Sales Optimism Index fell consider-



ably short of their reading in 1980 whereas retailers, durable goods makers, and wholesalers remained considerably more cheerful than in the 1980 recession.

Only two-fifths of the manufacturers surveyed looked for a rise in new orders in the initial quarter of the new year as against three out of five anticipating increased bookings in the wind-up quarter of 1981.

Expectations about the bottom line sank almost as precipitously as on sales. The Profits Optimism Index fell to 22; only one-half the 44 registered in the prior survey. Along with non-durable goods makers who had taken a considerably gloomier turn in sales outlook, retailers also showed a marked loss, 29 points, in ebullience about earnings. This anticipated downward shift may reflect the fact that retail stores, jittery about Christmas buying, began to cut prices in a flurry of pre-holiday sales.

Possibilities of an inventory build-up such as occurred in prior recessions seem unlikely in the views of the business executives interviewed. Only 31 per cent anticipated heavier stocks at the start of 1982, down from 43 per cent in the prior quarter and less than at any time in 1980. Retailers most frequently foresaw an increase in inventories, 37 per cent, and durable goods makers least frequently, 26 per cent.

The outlook on employment, dimming for the second straight survey, sagged back to the low ebb registered in the 1980 recession, with only 14 per cent of the business executives expecting to add to payroll rosters. The percentage dropped most noticeably among manufacturers of non-durable goods, from 22 per cent to 13 per cent. Almost three-fourths of the interviewees expected no change in employee rosters--a similar proportion made this projection throughout 1981. As for curtailment in employment, manufacturers more ofter than wholesalers or retailers looked for a cut in payrolls.

Expectations of further inflationary pressure continued to lighten in the latest survey as the percentage anticipating higher selling prices eased to 66 per cent. Down from 73 per cent in the preceding quarter, this was the smallest number since 1977's first quarter. Retailers and non-durable goods makers accounted for most of the downward shift in the latest quarter--durable goods manufacturers had already lowered their price anticipations in the preceding quarter.

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3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FIRST QUARTER OF 1982 COMPARED WITH THE FIRST QUARTER OF 1981

(Interview Period: Nov. 11-25, 1981)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
Net Sales	Number Reporting		1404	785	522	263	360	259
	Per Cent Reporting	(Increase	49	47	44	52	51	53
		(No Change	32	33	32	34	31	32
		(Decrease	19	20	24	14	18	15
Net Profits	Number Reporting		1366	764	508	256	352	250
	Per Cent Reporting	(Increase	43	43	42	43	46	43
		(No Change	36	36	34	41	35	37
		(Decrease	21	21	24	16	19	20
Selling Prices	Number Reporting		1397	783	520	263	359	255
	Per Cent Reporting	(Increase	66	64	64	65	70	69
		(No Change	29	31	31	32	24	27
		(Decrease	5	5	5	3	6	4
Level of Inventories*	Number Reporting		1391	777	517	260	358	256
	Per Cent Reporting	(Increase	31	29	26	35	30	37
		(No Change	46	46	47	43	48	46
		(Decrease	23	25	27	22	22	17
Number of Employees*	Number Reporting		1398	782	522	260	360	256
	Per Cent Reporting	(Increase	14	16	18	13	9	14
		(No Change	73	69	66	77	80	76
		(Decrease	13	15	16	10	11	10
New Orders	Number Reporting			725	486	239		
	Per Cent Reporting	(Increase		42	41	44		
		(No Change		36	34	41		
		(Decrease		22	25	15		

*End of Quarter

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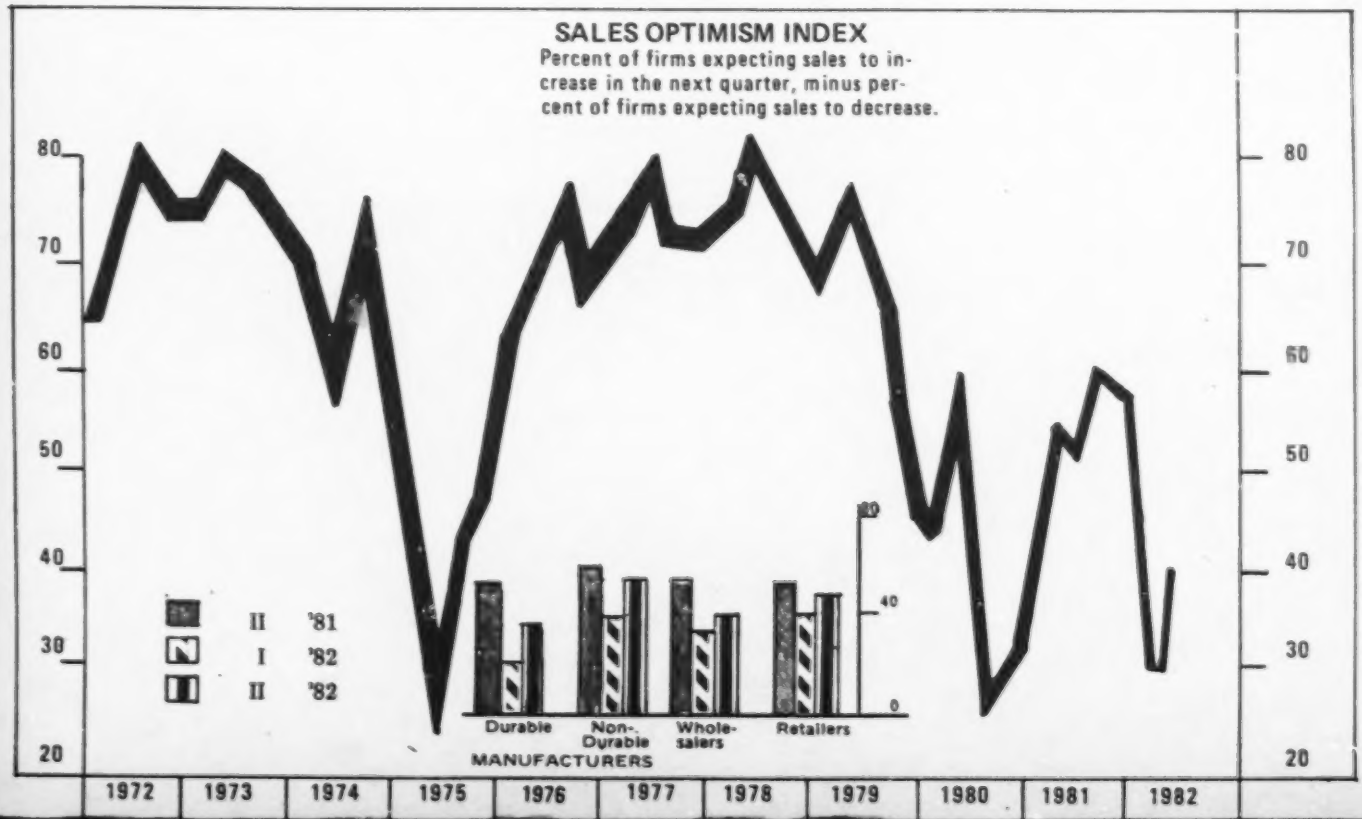
For Release: Business Expectations

V-23 No. 2

BUSINESS EXECUTIVES SHOW UPTICK IN OPTIMISM IN DUN & BRADSTREET'S SURVEY OF SECOND QUARTER EXPECTATIONS

NEW YORK, April 28--After a sag to a six-quarter low early in 1982, business optimism perked up moderately in regard to second quarter expectations, reports Dun & Bradstreet. Among the 1,404 leaders interviewed in D&B's latest survey, a growing portion foresaw improvement in sales and profits for the second quarter. While the upturn was of modest size and did not make up for the precipitous plunge in confidence in the initial quarter of the year, this shift may be a hopeful signal about the possible end of the recession.

D&B's Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) took a 10 point upswing to 40 for the second quarter of 1982 from the low ebb of 30 in the initial quarter when the index took its steepest drop since 1975. Surprisingly, in view of declining industrial production, the outlook of manufacturers improved most, a 15 point rise, while the readings for wholesalers and retailers moved up



5 and 7 points respectively. Makers of non-durable goods held the most cheerful view about sales prospects as they have in four out of the last six surveys.

A rise in new orders was anticipated by 51 per cent of the manufacturing executives questioned as compared with 42 per cent a quarter earlier. Still, this percentage fell short of any quarter of 1981. Durable goods manufacturers and non-durable goods manufacturers had shown little difference of opinion about the flow of new bookings in the preceding survey. But, in this round of interviews, leaders in the non-durables sector were more sanguine, 57 per cent vs. 49 per cent.

Earnings slumped badly for many businesses in the first quarter of the year. However, the Profits Optimism Index in D&B's latest survey perked up 9 points in regard to bottom line prospects for the second quarter. The healthiest uptick occurred among retailers, a 17 per cent jump. Only wholesalers showed a continuing decline in confidence as their index ebbed to the lowest reading since the last half of 1980.

In regard to inventory levels, there was little change in the outlook of the business executives. The percentage anticipating inventories to hold even stood at 45 per cent, close to the 46 per cent in the previous quarter. Those looking for an increase in stocks stood at 34 per cent vs. 31 per cent. Retailing was the only category in which a growing portion of leaders expected that inventories would be cut back.

Only 14 per cent of the executives surveyed indicated a probable growth in employee rosters, the same proportion as in the first quarter of the year and the fewest since the third quarter of 1980. Wholesalers continued to be the least likely to predict additions to the payroll.

The easing of inflationary pressures was reflected in the fact that fewer business executives looked for price increases in the second quarter, 60 per cent, than at any time since the first quarter of 1976. Slightly over one-third felt that there would be no change in price tags. In contrast to the general downward shift in expectations on prices, retailers to the tune of 67 per cent predicted further price hikes, about as many as in the survey a quarter earlier.

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3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
SECOND QUARTER OF 1982 COMPARED WITH THE SECOND QUARTER OF 1981

(Interview Period: Feb. 10-24, 1982)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
	Number Reporting		1369	600	390	210	435	334
		(Increase	55	56	53	61	53	59
Net	Per Cent	(No Change	30	30	30	29	32	27
Sales	Reporting	(Decrease	15	14	17	10	15	14
	Number Reporting		1323	583	375	208	419	321
		(Increase	47	48	47	50	42	53
Net	Per Cent	(No Change	37	34	34	35	42	34
Profits	Reporting	(Decrease	16	18	19	15	16	13
	Number Reporting		1347	587	378	209	431	329
		(Increase	60	56	54	60	60	67
Selling	Per Cent	(No Change	35	40	42	36	35	28
Prices	Reporting	(Decrease	5	4	4	4	5	5
	Number Reporting		1355	594	386	208	429	332
Level		(Increase	34	35	34	37	29	37
of	Per Cent	(No Change	45	44	43	48	53	37
Inventories*	Reporting	(Decrease	21	21	23	15	18	26
	Number Reporting		1358	594	386	208	432	332
Number		(Increase	14	18	19	16	10	13
of	Per Cent	(No Change	74	69	67	73	78	74
Employees*	Reporting	(Decrease	12	13	14	11	12	13
	Number Reporting			536	353	183		
		(Increase		51	49	57		
New	Per Cent	(No Change		34	33	35		
Orders	Reporting	(Decrease		15	18	8		

*End of Quarter.

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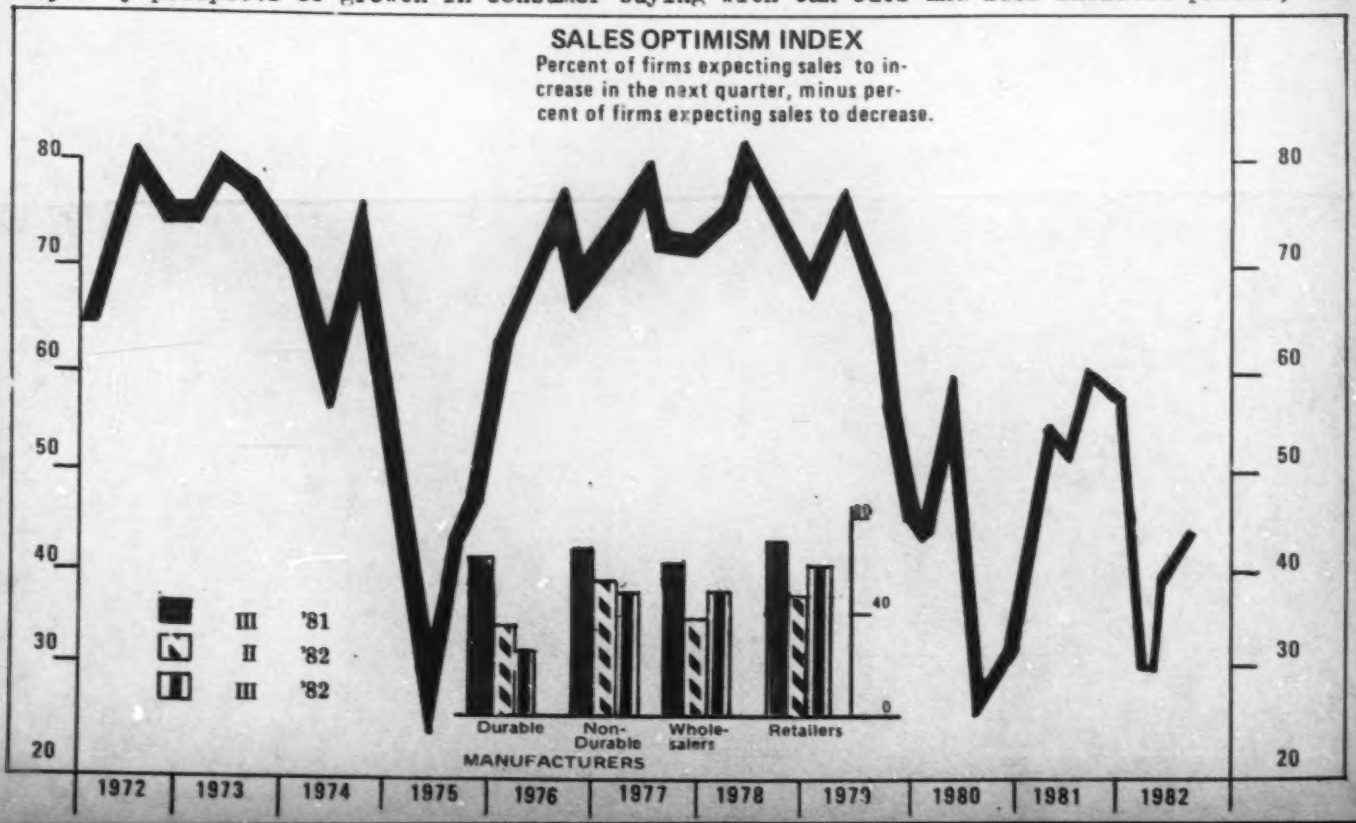
V-23 No. 3

BUSINESS OPTIMISM CONTINUES TO RECOVER BUT AT UNEVEN PACE IN DUN & BRADSTREET'S SURVEY OF THIRD QUARTER EXPECTATIONS

NEW YORK, July 23--Optimism of business executives continued to edge up in Dun & Bradstreet's latest survey on expectations for the third quarter, but the pace of the recovery from the steep sag in the first quarter of 1982 was relatively slow and uneven. Among the 1422 concerns interviewed, confidence about sales prospects remained on the uptick but stalled in regard to profits, orders and employment.

The Sales Optimism Index (the percentage expecting increases minus the percentage expecting declines) moved up to 44 from 40 in the previous survey. This 4 point nudge came after a 10 point rise in the second quarter but the index still fell short of 1981 levels when it ranged between 51 and 61. Whereas confidence had stepped up generally in regard to second quarter, the current cheerful shift was concentrated among retailers and wholesalers. Buoyed by prospects of growth in consumer buying with tax cuts and less inflated prices, the



Sales Optimism of retailers jumped a full 12 points, while advancing 9 points in the wholesaling segment. In dismal contrast, optimism about the third quarter outlook diminished among manufacturing executives, 11 points in durable goods industries and 5 points in non-durable goods industries. Neither, however, receded to the low ebb of the first quarter.

Lessened confidence about the sales outlook in manufacturing appears to stem from poorer expectations about new orders. Here the makers of non-durable goods showed the sharper slippage in optimism--49 per cent looked for a rise in bookings, down from 57 per cent a quarter earlier. The proportion of durable goods makers anticipating heavier orders ebbed 4 points to 45 per cent--they tended to shift to expectations that orders would hold an even keel whereas the respondents in the non-durable goods group tended to shift to predictions of lighter orders.

Cheer about the bottom line held nearly even--the Profits Optimism Index inched up only 1 point to 32. Offsetting trends prevailed in regard to earnings just as they had on sales. There was a loss of optimism among manufacturers. In fact, the index for durable goods industries receded almost to the low first quarter reading. And, nearly one-fourth foresaw a drop in profits. These gloomier views were counterbalanced by mounting confidence among wholesalers and retailers to the most favorable outlook so far this year.

For the third straight quarter there was little change regarding inventories. Some 33 per cent of the executives expected to increase stocks and 45 per cent expected no change. A rising number of non-durable goods manufacturers anticipated a curtailment, 24 per cent, the most since 1975. Only retailers, with their brightening outlook on sales, had a marked increase in expectations of building inventories.

Nearly three-fourths of the business leaders interviewed did not anticipate either increasing or decreasing employee rosters. In noteworthy contrast, a number of durable goods manufacturers shifted from this "no change" outlook to an expectation of reducing payrolls--20 per cent predicted such declines, the most since the third quarter of 1980.

The proportion of businesses foreseeing price hikes continued to lighten, fading to 49 per cent, the least in seven years.

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SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
THIRD QUARTER OF 1982 COMPARED WITH THE THIRD QUARTER OF 1981

(Interview Period: May 10 to 21, 1982)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
	Number Reporting		1422	598	403	195	438	386
Net Sales	Per Cent Reporting	(Increase	57	49	46	56	59	65
		(No Change	30	33	33	34	29	27
		(Decrease	13	18	21	10	12	8
	Number Reporting		1362	572	386	186	423	367
Net Profits	Per Cent Reporting	(Increase	48	45	43	48	45	56
		(No Change	36	34	33	36	41	34
		(Decrease	16	21	24	16	14	10
	Number Reporting		1383	578	385	193	428	377
Selling Prices	Per Cent Reporting	(Increase	49	45	45	46	49	54
		(No Change	34	47	46	48	45	43
		(Decrease	21	8	9	6	6	3
	Number Reporting		1395	584	394	190	427	384
Level of Inventories*	Per Cent Reporting	(Increase	33	30	29	31	32	41
		(No Change	45	43	42	45	48	44
		(Decrease	22	27	29	24	20	15
	Number Reporting		1427	598	403	195	438	391
Number of Employees*	Per Cent Reporting	(Increase	15	17	20	13	12	15
		(No Change	72	66	60	75	78	77
		(Decrease	13	17	20	12	10	8
	Number Reporting			570	391	179		
New Orders	Per Cent Reporting	(Increase		46	45	49		
		(No Change		36	36	37		
		(Decrease		18	19	14		

*End of Quarter.

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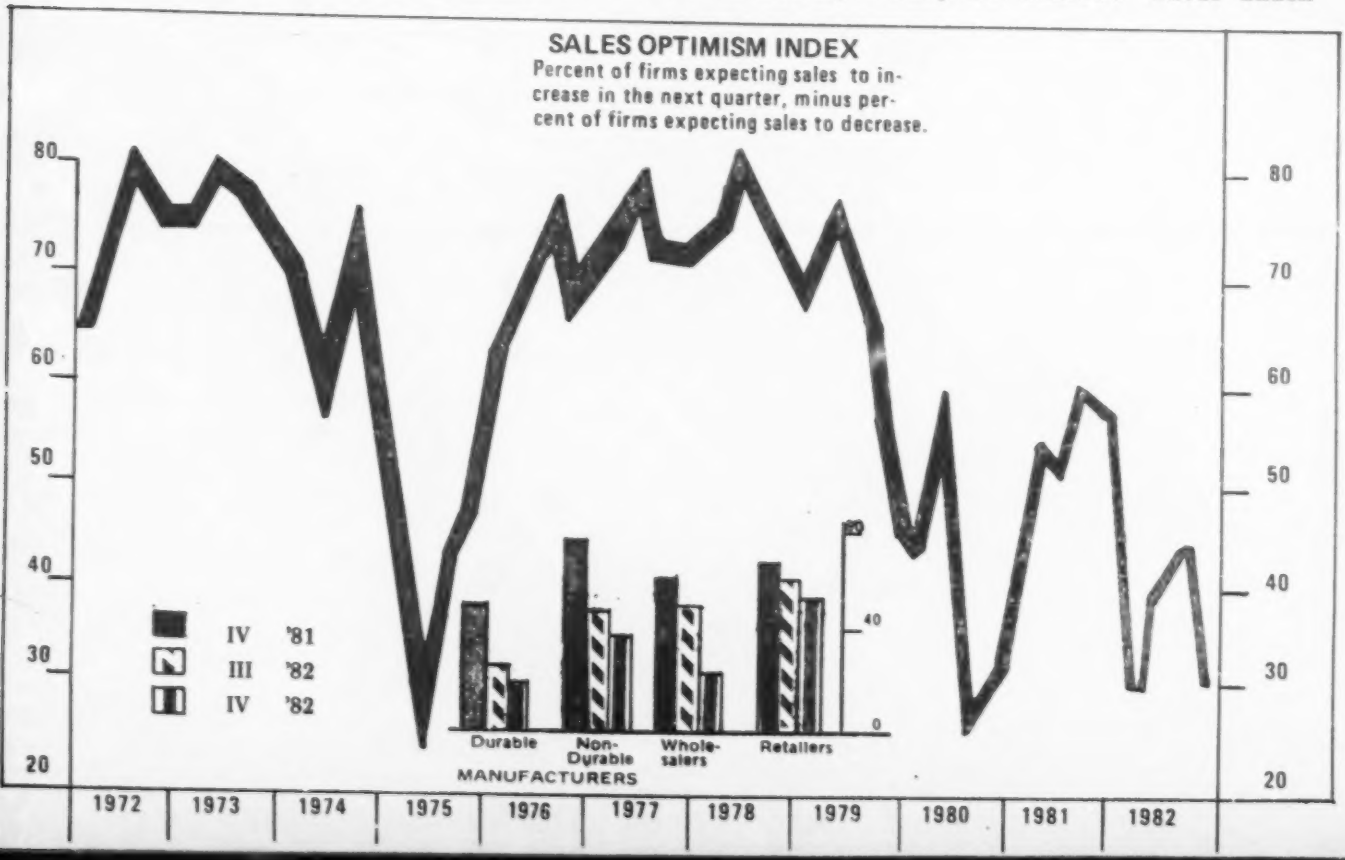
BUSINESS OPTIMISM DROPS, ERASES MODEST UPTICK IN DUN & BRADSTREET'S SURVEY OF FOURTH QUARTER EXPECTATIONS

NEW YORK, October 28--Business optimism, after a feeble recovery in the second and third quarters of 1982, dropped back to the low ebb prevalent at the start of the year, according to Dun & Bradstreet's latest survey of Business Expectations. Among 1,471 executives interviewed about their outlook for the fourth quarter, confidence dimmed about sales, profits, new orders and employment.

The Sales Optimism Index (the percentage expecting increases minus the percentage expecting decreases) dropped 14 points to 30, the same reading as in the year's first quarter and the second lowest registered since 1975. The gloomiest plunge centered among wholesalers, a 26 point dive to their lowest level since 1958. For four quarters running now, the durable goods manufacturers have shown the least confidence, reflecting the extended and severe slump in such key industries as steel, autos, and lumber. Their index



stood at 17, less than one-half the non-durable goods manufacturers' 36--in both sectors expectations were the least optimistic since the recession of 1975. In marked contrast and surprising in view of the fact that consumer buying has failed to pick up momentum, the confidence of retail executives slipped only moderately, to 50 from 57, and remained higher than in the first half of 1982.

As for the bottom line in the final quarter of the year, the Profits Optimism Index fell 12 points to 20, the least cheerful reading since the 18 noted in the third quarter of 1980. D&B interviewed the executives midway in the third quarter when profits fell sharply in most industries. For three consecutive quarters, retailers have been the most sanguine about earnings prospects. Their index, at 35 for the wind-up quarter of 1982, stood far above the 12 to 16 in other categories.

A deterioration in the outlook for manufacturers' new orders was concentrated in the durable goods industries. Forty per cent of the executives in that category expected a rise in the flow of new bookings, the smallest portion since the third quarter of 1980.

Hope that some inventory building might give an upward lift to the economy seems unfounded in the views of the business leaders surveyed. Over-all, the percentage expecting a cutback in inventories equalled the percentage expecting to increase stocks--the first time this has happened since 1975. In fact, among manufacturers and wholesalers, those anticipating a reduction in inventories outnumbered those anticipating growth. Only retailers foresaw a reverse trend, with 34 per cent predicting an increase in inventories and 22 per cent a paring of stock levels, but even these ratios were appreciably less healthy than the 48 per cent vs 14 per cent prevailing in the fourth quarter a year earlier.

Amidst news of double digit unemployment, the gloom deepened about fourth quarter payroll rosters. More of the leaders interviewed predicted a cut than predicted an increase, for the first time in this survey since 1954.

Expectations of further inflation continued to diminish for the sixth straight quarter, falling to 44 per cent over-all. This was the smallest percentage anticipating price hikes since the initial quarter of 1972.

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3. BUSINESS EXPECTATIONS

SURVEY OF BUSINESS EXPECTATIONS
Conducted by Dun & Bradstreet

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FOURTH QUARTER OF 1982 COMPARED WITH THE FOURTH QUARTER OF 1981

(Interview Period: August 11 to 25, 1982)

			All Concerns	Total Manufacturers	Manufacturers Durables	Manufacturers Non-Durables	Wholesalers	Retailers
	Number Reporting		1471	619	446	173	402	450
Net Sales	Per Cent Reporting	(Increase	51	48	45	54	45	61
		(No Change	28	27	27	28	31	28
		(Decrease	21	25	28	18	24	11
	Number Reporting		1423	597	436	161	389	437
Net Profits	Per Cent Reporting	(Increase	41	38	38	37	40	47
		(No Change	38	37	36	39	36	41
		(Decrease	21	25	26	24	24	12
	Number Reporting		1431	602	434	168	389	440
Selling Prices	Per Cent Reporting	(Increase	44	38	37	40	46	48
		(No Change	49	55	55	54	43	47
		(Decrease	7	7	8	6	11	5
	Number Reporting		1449	612	439	173	392	445
Level of Inventories*	Per Cent Reporting	(Increase	27	25	24	26	23	34
		(No Change	46	48	49	47	46	43
		(Decrease	27	27	27	27	31	23
	Number Reporting		1465	616	443	173	399	450
Number of Employees*	Per Cent Reporting	(Increase	12	14	15	10	9	13
		(No Change	72	63	60	72	76	79
		(Decrease	16	23	25	18	15	8
	Number Reporting			593	433	160		
New Orders	Per Cent Reporting	(Increase		42	40	48		
		(No Change		35	34	37		
		(Decrease		23	26	15		

*End of Quarter.